

WILMINGTON Budget Basics

CITY OF WILMINGTON PUBLIC INFORMATION REPORT

Fall 2010

How does the city
spend your money?

Read this insert
to find out.

Did you know?
The city has only raised
property taxes twice
since 1999.

How would you balance the city's budget?

The city will continue to struggle with budget challenges this year because there is no additional revenue coming in from the city's main sources of funding. The city is seeking your input to meet these challenges. What services do you value most? What would you reduce, increase or eliminate? What are the consequences of making changes?

The **Enterprise Fund** is made up of self-supporting city services, including trash and recycling pick-up, stormwater services and downtown parking.

Balancing the city budget

Would you like to try your hand at balancing the city's budget? The city has set up an interactive online budget balancing exercise to help you learn more about the city's budget and what the effects of proposed changes might be.



wilmingtonnc.gov/budget

What is the city budget?

The city's budget is made up of two parts: General Fund and Enterprise Fund. The **General Fund** provides core services such as public safety and streets, funded primarily by property and sales tax revenues and fees.

City budget by the numbers:

General Fund: \$84 million
Enterprise Funds: \$18 million

Number of employees: 981

*More than half of the city's
981 employees are in the
police and fire departments.

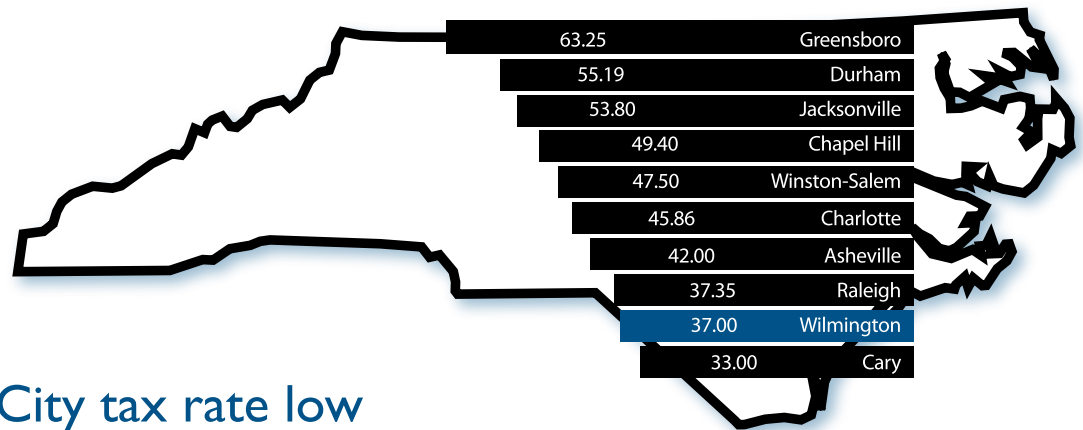
~ Population: 100,000

~ Size: 52 square miles

~ Miles of city maintained
streets: 360

~ Miles of city maintained
sidewalks: 300

~ Acres of city maintained
parks: more than 600



City tax rate low

Wilmington has the second lowest tax rate of all large cities in North Carolina. The only other large city with a tax rate lower than ours is Cary.

It's important to note that Cary's tax base is higher than Wilmington's and generates much more revenue.

Each penny on Wilmington's tax rate brings in \$1.4 million for the city.

How much does it cost?

The median priced home in
New Hanover County = \$185,000

2009-10 property taxes
total = \$613.96 annually

2010-2011 tax rate:

33/4¢ added to tax rate + \$5.77
per month, or \$69.40 a year

Questions/Comments

T 910.341.0833

• NEWSLETTER@WILMINGTONNC.GOV

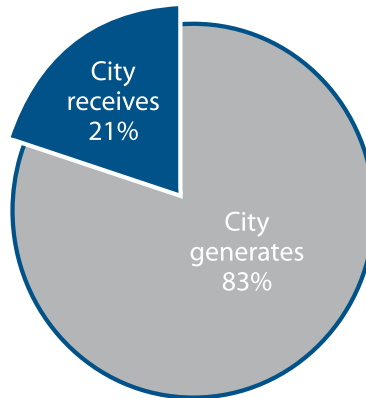
• WILMINGTONNC.GOV

What about the sales tax increase?

New Hanover County raised the sales tax this spring, but the city does not get any of that increase. The county controls how much sales tax revenues goes to the city.

By law, as the county's property tax rate goes up, the city's share of sales tax revenue goes down.

Sales Tax Generation and Distribution



Wilmington generates **83%** of all sales tax collected in New Hanover County.

The City only receives **21%** of the sales tax collected from the County.

Where the money comes from...

Sales taxes and state revenues remain flat. The city does not have control over how much sales tax or state funding it receives. The only source of significant funding the city can change is its property tax rate.

The only source of significant revenue the city can change is its property tax rate.

PROPERTY TAXES

63%

SALES TAXES

17%

STATE FUNDING/ FEES

20%



Where the money goes...

In 2011, public safety and debt costs will consume more than 90% of the total amount equal to what the city collects each year in property taxes. Everything else is paid for with sales taxes, state funding or fees.

In 2011, the city will spend almost the same amount on public safety and debt as it receives in property taxes.

45%

POLICE/FIRE SERVICES

11%

DEBT

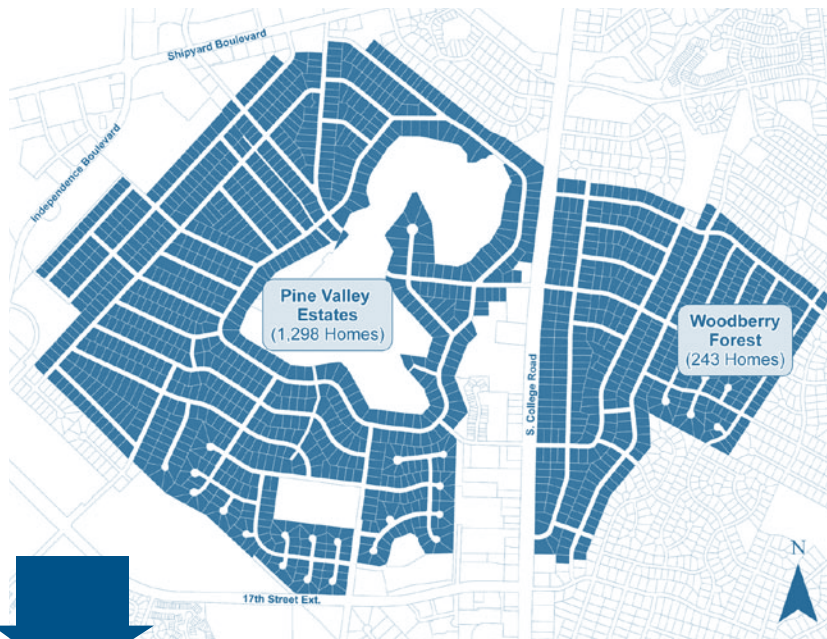
8%

MAINTENANCE

36%

ALL OTHER SERVICES





Did you know?

It would take more than 1,500 homes valued at \$200,000 each a full year to generate enough money to pay for a large piece of equipment such as this fire truck. That would take almost all of the homes in just the Pine Valley and Woodberry Forest subdivisions.



Why does the city borrow money?

Like most city governments, Wilmington issues bonds to pay for big dollar items such as the \$24 million police headquarters. The projects are paid back over time, just like a homeowner pays a monthly mortgage. This is the only way the city can afford to pay for these types of projects without huge, sudden tax increases.

In addition, bonds such as the 2006 transportation and parks bonds are voted on by citizens and can only be used if citizens approve them by a majority vote.

The city has recently completed or is currently working on several major projects that used money borrowed from bonds that now have to be paid back. These projects include two fire stations completed in 2007/08, the widening of Independence Boulevard currently underway and the citywide traffic signal upgrade completed in May.



Improving the community

BEFORE



AFTER



This year, the city has set aside about 8% of its budget for street and sidewalk repairs and traffic signal work. Funding for maintenance has been cut by more than 40% over the last two years. Because of budget constraints, regular repairs and new projects will be very limited again this year. This means fewer potholes fixed and fewer streets and sidewalks paved. Also, because of staff cuts, response time for requested repairs is taking longer.

A sidewalk was recently installed on Princess Place to make it safer for children walking to school.

City services your money pays for:



Upcoming events: Learn about the city's budget

Public Meetings

The city wants to know what is most important to our citizens. This is your chance to learn more about the budget at any of three public workshops:

Thursday, October 14

6 - 7:30 p.m.
Winter Park Baptist Church
Fellowship Hall
4700 Wrightsville Avenue

Monday, October 18

6 - 7:30 p.m.
New Hanover County Arboretum
Auditorium
6206 Oleander Drive

Tuesday, October 26

6 - 7:30 p.m.
City Hall
City Council Chambers
102 N. Third Street

Send us an email or leave us a message

It is important to the city to provide residents with the opportunity to understand how their money is being spent and the chance to have input.

Call **910.341.0114** and leave a message.

Email:

budgetinfo@wilmingtonnc.gov

The city will continue to face budget challenges next year.

Do you have ideas about how the city can save money?

If so, the city would like to hear from you. Please send your ideas through one of the tools listed here.

The city's webpage and Facebook page

Learn more about the city's budget by visiting our budget info webpage at wilmingtonnc.gov/budget. This page contains more information on the city's budget, as well as a link to an interactive budget balancing challenge.

The budget challenge allows you to eliminate, cut or increase services and see the impact of your decisions.

This gives citizens the opportunity to make difficult decisions just like city leaders must make when balancing the budget each year.



wilmingtonnc.gov/budget

Public Safety Facts

The recent citizen survey found that citizens think police and fire services are by far the most important services provided by the city. The city's recent investments reflect this importance to citizens:

Did you know?

- Even with the economic downturn, the city has actually increased public safety spending while the rest of the city budget has been reduced.
- The city has invested more than \$300 million in public safety facilities over the past six years.
- The city spends almost the same amount on police and fire services as it receives each year in property taxes. Everything else is paid for with sales taxes and state funding/fees.



Wilmington Police
Department Headquarters

Citizen Input

On the web:

wilmingtonnc.gov/budget

On Facebook:

[cityofwilmington](https://www.facebook.com/cityofwilmington)

Email:

budgetinfo@wilmingtonnc.gov

Leave a message:

910.341.0114